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CURRENT SUPPORT MEMORANDUM

THE "LEAP FORWARD" BRINGS CONGESTION TO YANGTZE RIVER TRANSPORTATION

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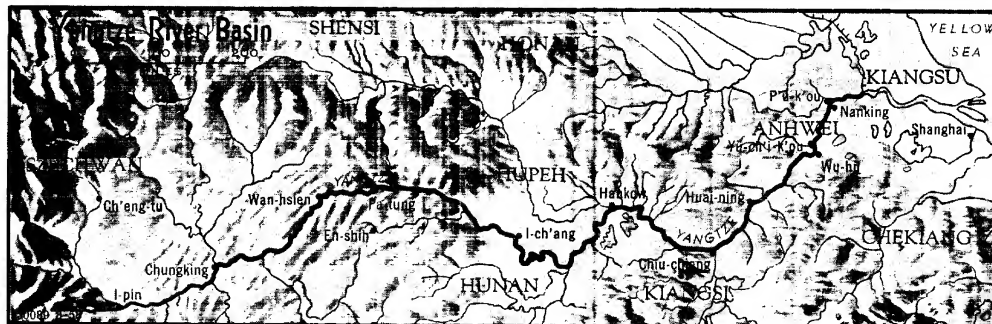
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THE "LEAP FORWARD" BRINGS CONGESTION TO YANGTZE RIVER TRANSPORTATION

Recent evidence indicates that the Chinese Communists are encountering difficulties in moving certain commodities in the middle and lower reaches of the Yangtze River. In particular, congestion involving coal movements seems to be so severe as possibly to affect the "leap forward" program.

Since this date congestion has grown worse and has spread to other ports. The most severe congestion noted involves the movement of coal mined in the Kiangsu-Anhwei area to Shanghai. 2/ The harbors of Pukou and Yuchikou are particularly affected. 3/



The difficulties seem to lie not in a shortage of vessels, but in the inability of the Chinese to move the goods through the harbors, and the apparent breakdown or inadequacy of the new, mechanized harbor construction at Yuchikou. While the most severe problem is the movement of coal, other cargo movements may also be involved. 5/

Several factors suggest that the difficulties encountered are the result of increased production under the current "leap forward" program. Fairly severe congestion was reported on the Yangtze in 1956, the last year in which there was a speed-up in economic development. 6/ However, the Chinese Communists concentrated on improving port facilities and apparently reduced the problem to minor proportions in 1957. Further, congestion in 1956 occurred later in the year, reaching its peak in the fourth quarter. This year, however, congestion had already become serious by June. 7/ Congestion due to generally increased production might be expected to affect coal movements first since coal is a bulky non-perishable commodity which might have difficulty in competing with grain and high value or perishable cargo for space.

A general increase this year in production of commodities normally moved by water (grain, coal, minerals, building materials,

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etc.) and inability of the Chinese to move them at a reasonable rate may have an adverse effect on the "leap forward" program.

25X1D1a There is some evidence that transport problems may not be confined to water transportation, or to the area adjacent to the Yangtze. Part of the difficulty in moving goods from Patung is a 25X1D1a shortage of vehicles on the Enshih-Patung highway, which the Chinese Communists attribute to the "increased" transportation mission. 8/

It is also worth noting that the Communications Work Department of the Central Committee of the Chinese Communist Party in July expressed its concern about the inability of the highway, rail and water transportation systems to handle the current transport load, and warned that the situation threatened to become worse. 10/ Such high level concern may well indicate a greater and more widespread problem than is indicated by congestion along the Yangtze alone.

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Analyst:



Coord:

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Sources:

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10. State, Hong Kong. Dsp 63, 25 Jul 58. OFF USE.



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